LEADING BUSINESS, REAL ESTATE LENDERS
Tables begin on page 8

AMERICAN BANKER

VOL. CLV NO. 119 Tuesday, June 19, 1990 155th year

NEWSPAPER 15538900015 2/ 5/07 C11
STATISTICAL REFERENCE INDEX
JOHN P KENNEDY
4520 EAST WEST HIGHWAY
SITE 800
BETHESDA MD 20814

Why Banks Make So Many Bad Loans

By SANFORD ROSE

Let us state a simple but often overlooked proposition: The health of a country's banking industry is inversely related to the speed and efficiency of information transfer.

That is, the more information that is available to market participants, the weaker are the banks. The less available information, the stronger are the banks.

Few should question the notion that banks thrive when information is not widely disseminated – i.e., markets are reasonably imperfect. In a world of perfect knowledge of existing market conditions, there would be no need for financial intermediaries. Buyers and sellers of credit would interact directly, without recourse to middlemen.

Comment

The prosperity of banks depends on a monopoly or quasi-monopoly of customer-specific information. As the technology of information transfer improves, it erodes this monopoly and with it the raison d'etre of financial intermediaries.

Banks Love a Mystery

Otherwise put, banks love a mystery. They batten on credit opacity; they abhor credit transparency. When credit risk is opaque, banks can sell highly valued analytic services. When risks are transparent, banks are reduced to being purveyors of money, a low-valued and widely available commodity.

In this country, we are passing through an age characterized by the predominance of "borrowers and lenders" and entering an age characterized by the predominance of "issuers and investors." In the earlier period, ultimate investors, lacking the requisite information about creditworthiness of borrowers, lent their funds first to banks and thrifts, which, possessed of the needed data, relent to borrowers. In the emerging period, this roundabout and costly technique of funds transfer is rapidly being short-circuited, replaced by the more efficient security-issuance process.

It is unquestionable that increased competition from progressively better informed public markets has greatly diminished the franchise value of banks and thrifts. And as the value of bank and thrift charters has declined, the incentive to indulge in less-than-prudent lending behavior has corresponding-

See **WHY** *page* **27**

INSIDE NEWS

INTERNATIONAL

ROBERT ABBOUD'S First City Bancorp. of Texas, bucking a trend, is targeting international trade finance as one of its biggest growth opportunities. *Page 24*

TECHNOLOGY

VISA U.S.A. has reached an agreement with Internet Inc., operator of the Most automated teller machine network, to provide credit, debit, and other processing services to member banks. *Page 3*

FINANCE

A SELECT GROUP of 12 superregional banks has made up all ground lost in the early part of the year – on a price-to-book basis. But the rally for most other banks has been tepid of late. *Page 32*

CONSUMER

THE NATIONAL Association of Insurance Commissioners will investigate ways to control the profits being made on sales of credit life insurance. *Page 6*

REAL ESTATE

STEPHEN ANFANG, a New York investor, is betting that London will emerge as the banking capital of Europe and that commercial property there is a good buy. *Page 18*

PEOPLE

BANK BOARD CHIEFS used to have no trouble at all finding a cushy job in the private sector. But it's not quite that easy for M. Danny Wall. *Page 2*

INDEX

Company Index	2
Crime Blotter	4
Letters to the Editor	5
Classified Advertising	28
Bank and Thrift Stocks	31

Cirrus, Plus Seen Gaining In ATM Wars

By RICHARD LAYNE

NEW YORK — For the first time since they were formed in the early 1980s, national automated teller machine networks are poised to take away market share from the regional networks that currently dominate the business, according to Speer & Associates, an Atlanta consulting company.

In its annual survey of ATM networks, Speer forecast that the national networks' share of interchange transactions – in which a customer of one bank conducts a transaction at the ATM of another bank – will rise to 10% in 1993 from 4% this year.

The data indicate that the national networks are proving cost-effective alternatives to regional processors. The most prominent national networks are Cirrus System Inc., a MasterCard International subsidiary, and Plus System Inc., which is part-owned by Visa U.S.A.

Until now, Cirrus and Plus ATMs have been used relatively rarely by travelers wanting to obtain cash from their bank accounts back home. But a 10% market share in 1993 will add up to a sizable 232 million transac-

See **ATM** *page* **3**

U.S. Postmaster Hints At Check-Cashing Role

By ROBERT M. GARSSON

WASHINGTON — In a move that might spare banks from being forced to cash government checks, Postmaster General Anthony M. Frank said on Monday that he is studying whether his agency's 40,000 branches could be used for that purpose.

The proposal, disclosed in an interview, comes at a time when the banking industry is gearing up to fight legislation that would require all banks to cash U.S. government checks. The measure, sponsored by Sen. Howard Metzenbaum, D-Ohio, would also require banks to cash state and municipal government checks within the state of issue.

The proposal by Mr. Frank, a former thrift executive, could help the banking industry fight the legislation.

Duty to Taxpayers

In discussing the idea, Mr. Frank said, "We are owned by the American people. If we can serve, by cashing government checks, people who would otherwise not be served, we should take a look at it."

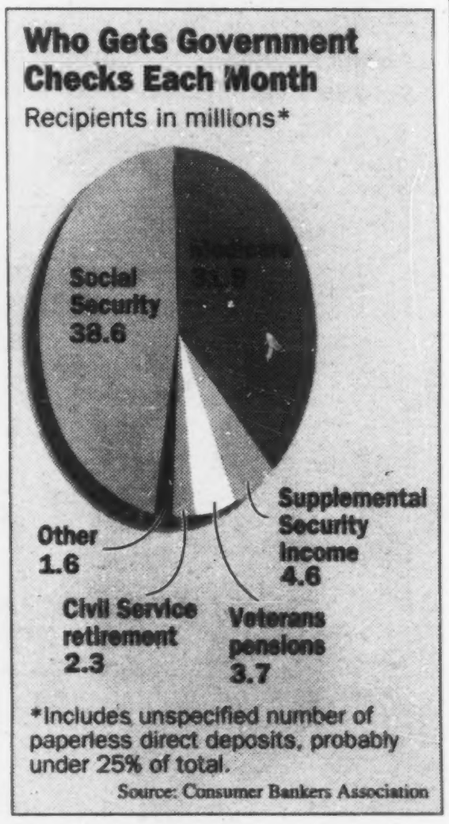
However, he said, if Congress requires banks to cash government checks, there would be little need for his agency to offer the service.

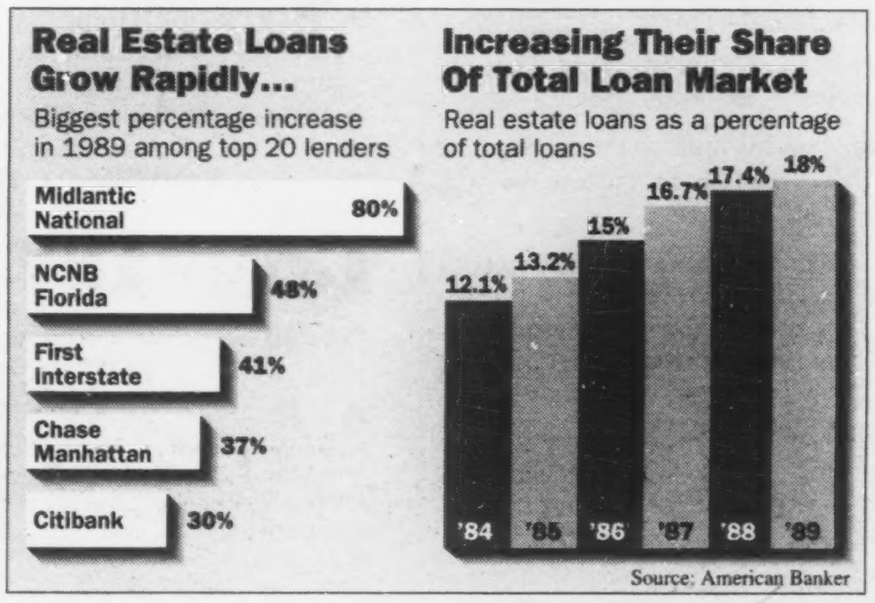
"The only exceptions would be in rural areas, where there aren't many banks, and in the inner cities," he said.

Each month, the federal government makes about 83 million payments, primarily by check. Social Security and Medicare, the two largest categories, are responsible for $70 million of the payments.

Mr. Frank, former chief executive officer of First Nationwide

See **FRANK** *page* **26**


Who Gets Government Checks Each Month
Recipients in millions*
Social Security 38.6
Supplemental Security Income 4.6
Veterans pensions 3.7
Civil Service retirement 2.3
Other 1.6
*Includes unspecified number of paperless direct deposits, probably under 25% of total.
Source: Consumer Bankers Association


Real Estate Loans Grow Rapidly...
Biggest percentage increase in 1989 among top 20 lenders
Midlantic National 80%
NCNB Florida 48%
First Interstate 41%
Chase Manhattan 37%
Citibank 30%
Increasing Their Share Of Total Loan Market
Real estate loans as a percentage of total loans
12.1% 13.2% 15% 16.7% 17.4% 18%
'84 '85 '86 '87 '88 '89
Source: American Banker

Loans for Real Estate Grew Twice As Fast as Business Loans in 1989

By STEPHEN KLEEGE

Usually, a top-10 ranking is a source of pride for bankers. But this year, when it comes to real estate lending, a top ranking seems about as welcome as a visit from bank examiners.

Asked about the *American Banker*'s annual survey of the top 100 banks in commercial real estate loans, top-ranked Citicorp quarreled over data showing rapid loan growth, second-ranked Wells Fargo found itself on the defensive despite a good track record, and third-ranked Chase Manhattan Bank declined to comment at all.

(The rankings are in tables that begin on page 19. Tables listing the top business lenders begin on page 8.)

The sensitivity reflects growing concern about the dangers of lending in overbuilt markets. It

See **REALTY** *page* **18**

Great Western To Buy Carteret Units in Florida

By TERESA CARSON

LOS ANGELES — Seeking a major expansion in Florida, Great Western Bank announced onMonday that it has agreed to acquire 13 Carteret Savings Bank branches in the state with $700 million in deposits. The Beverly Hills-based thrift also disclosed that it wants to make another big Florida purchase and remains interested in the the failed CenTrust Bank.

The Carteret acquisition will boost Great Western's Florida deposit base 40% to $2.4 billion and increase its branch network there to more than 60. Eleven of the branches are in affluent Palm Beach County, where Great Western already has 20 branches.

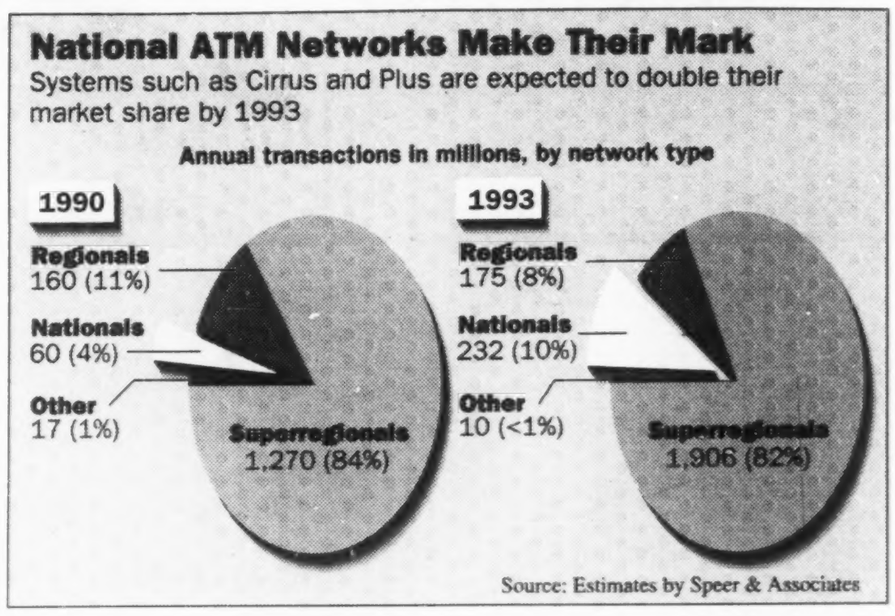
From Eighth Place to Sixth

The acquisition will make Great Western the sixth-largest thrift in Florida based on year-end deposits, up from its No. 8 ranking. The thrift also operates

See **GREAT** *page* **26**

ATM Wars: National Nets Gaining

Survey Shows Regionals Poised to Lose Market Share


National ATM Networks Make Their Mark
Systems such as Cirrus and Plus are expected to double their market share by 1993
Annual transactions in millions, by network type
1990
Regionals 160 (11%)
Nationals 60 (4%)
Other 17 (1%)
Superregionals 1,270 (84%)
1993
Regionals 175 (8%)
Nationals 232 (10%)
Other 10 (<1%)
Superregionals 1,906 (82%)
Source: Estimates by Speer & Associates

Continued from *page* 1

tions, four times the nationals' 1990 volume, Speer projected.

The national networks' gains will come mainly at the expense of the smallest, regional networks handling between 6 million and 24 million interchange transactions a year.

Superregionals Slipping

Meanwhile, the market share of the major superregional networks will drop by two percentage points to 82% in 1993, Speer said. That slip does not represent a major setback, considering that total interchange volume is growing 60% to 70% a year, according to Richard N. Speer Jr., chairman of the consulting firm.

The company sees the superregionals – led by CoreStates Financial Corp.'s Mac system and the New York Cash Exchange network – increasing their transaction total 50% to 1.9 billion in 1993 from 1.27 billion this year.

The interchange transactions will rise to 2.3 billion in 1993 from the current 1.5 billion annual rate, Speer said.

Mac Still Dominates

Even with their projected gains, the combined volumes of Cirrus, Plus, and a few smaller nationwide interchanges may not exceed the projected volume of the Mac network, which is the perennial leader in interchange transactions.

At 17.7 million interchange transactions a month, Mac is twice as active as the Nyce network and almost three times as big as Star System, a California-based network that is No. 3 on the Speer list. Nyce is the biggest network in total transactions – which are not reflected in Speer's measures – and in teller machines, with 8,819. Star has about 7,700 machines, Mac 6,919.

The gains in market share by the national networks are impressive. "You start to believe that Plus and Cirrus can become viable," said Ron Dennis, a senior vice president with Speer. "Before, their volumes were so low, they weren't doing as much volume as the successful regional networks."

Consolidation Credited

Plus and Cirrus owe their growth to several factors, including consolidation among small regional ATM networks. National networks, which have doubled their market share from 2% in 1987, are gaining as the regionals merge or find that bigger switches can process transactions cheaper than they can.

Mr. Dennis of Speer said that not long ago there were more than 200 networks. Now that number is down to over 100, with only 90 registering any significant volume.

In one example of consolidation, the Honor, Avail, and Relay systems merging in the Southeast gives the national networks an opportunity to process interchange transactions.

"With consolidation, like in the Southeast, the nationals may play a greater role in those markets," said Ron Reed, vice president of Plus System Inc., Denver. One option that Honor, Relay, and Avail are considering is adopting a national identity such as Plus to create a common image.

Also, some regions of the country, including Vermont and parts of Tennessee and Virginia, are not served by large, shared ATM networks, according to Mr. Speer. In these markets, banks may elect to offer a Plus or Cirrus service, increasing the number of ATMs available to cardholders and perhaps cutting down processing costs. □

Visa to Provide Services to Member Banks of Internet

By YVETTE D. KANTROW

NEW YORK – Hoping to gain a foothold in the emerging debit card market, Visa U.S.A. has reached an agreement to provide credit, debit, and other processing services to the members of a major automated teller machine network.

The deal allows Internet Inc. – operator of the Most ATM network in Virginia and nearby states – to hawk Visa's payment processing services to its 420 participating banks. The nonexclusive agreement represents potentially millions of new transactions for Visa's authorization and processing businesses.

Executives at the San Mateo, Calif.-based card association say the deal is significant because it diversifies Visa outside of its traditional strength in credit cards.

Forging Relationships

Visa already has close ties to bank credit card executives. But as debit card systems proliferate, Visa is looking to forge similar relationships with the debit card departments of banks.

"Debit card decisions will be made by the same people who make ATM decisions, and it's important that we have a dialogue with that side of the bank," said Roger Peirce, a Visa executive vice president.

The Most network, which serves the Middle Atlantic and Mid-South regions, also has a service contract with Deluxe Data Systems Inc., Brown Deer, Wis. Most's banks will have the option of relying on either Deluxe or Visa for their ATM network processing needs.

"In the long term, there is a potentially competitive dimension to [the agreement]," said David O'Connor, president and chief executive officer of Internet, Reston, Va. "Especially if we can find more efficiencies and applications with Visa than with Deluxe Data."

Incentives Provided

Visa will provide Internet with financial incentives to promote its services to its member banks, Mr. Peirce said.

A Deluxe spokesman said the company has been providing terminal-driving and transaction authorization services for Internet since 1983. Internet signed a new five-year contract with Deluxe about two months ago, the spokesman said.

Mr. O'Connor said the Visa arrangement gives Most members an opportunity to take advantage of Visa's huge payments processing infrastructure. "The regional networks might see this as giving up control to Visa and allowing Visa to gain a foothold," he said. "We don't see that at all."

While some regional network executives have been wary of Visa as a potential competitor, they say the Internet deal represents a new way of thinking for the card association.

"They've said, 'We've got to find a way to be partners with the regionals,' " said Richard P. Yanak, president of the Yankee24 network in Wallingford, Conn. "I'm positive about [the agreement], and it can help Most better service their marketplace."

According to Mr. O'Connor, banks in the future will rely heavily on the regional networks to help them develop new EFT applications for both merchants and consumers. For example, Visa's wide range of services can help Most develop cash management services for merchants, he said. □

ANOTHER

"The highest compliment I can pay Shared Financial Systems is to say that their EFT/POS software produces results."

O. C. "Bud" Russell, Jr., Vice Chairman of the Board
Hibernia National Bank, New Orleans

SHARED
FINANCIAL SYSTEMS

15301 Dallas Pkwy • Ste 600 • Dallas,TX 75248 • 214 / 233-8356
© 1990 Shared Financial Systems, Inc.

SHARED SUCCESS®

We've Met the Challenges of Our Toughest Customers

In the credit card processing business, tough challenges can really pile up. But thanks to outstanding flexibility and innovation, we've consistently claimed our place at the top. Our customers know they can count on us to fit The Total System to their individual needs...and turn our toughest customers into satisfied customers. To learn more about how we can help you scale tomorrow's challenges, contact M. Troy Woods, V.P. Marketing, P.O. Box 1755, Columbus, GA 31902-1755, (404) 649-2300.

TSYS®
TOTAL SYSTEM SERVICES, INC.

COMMENT/ *By Peter K. Keogh*

Well-Meant Regulations May Thwart RTC Mission

All parties watching the Resolution Trust Corp.'s performance acknowledge the challenge of disposing of the largest portfolio of commercial real estate yet assembled in this country. Fewer see that the tight regulatory jacket tailored for the RTC, though nobly intentioned, could well throttle its attempts to meet this challenge.

From birth, the RTC has been torn between mandates.

Its Washington-based creators, sensitive to charges that their regulatory laxity brought on the savings and loan crisis in the first place, have taken pains to insure that the agency operate above ethical suspicion. But equally anxious that thrift takeover costs be minimized, they have also pressed for a rapid return of seized real estate assets to the private sector.

Rigid Auction Regulation

The RTC has accommodated both mandates by choosing to use a rigidly regulated auction process to dispose of real estate. The agency's safeguards have put particular – and undue – focus on appraisals, to which much of the disastrous smoke-and-mirrors commercial real estate gimmickry of the last decade has been traced.

But delay is the RTC's enemy, not uncontrolled appraisals. By its latest estimates, the agency must dispose of $100 billion in real estate assets held by failing S&Ls in addition to the $100 billion in such assets it now holds.

Disposing of that much real estate under any conditions would be a monumental task. Under appraisal guidelines the RTC has proposed, the task may never be completed.

Under the proposed rules promulgated in order to satisfy Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act, appraisals must include three years of sales history, a market-trends analysis, and a determination of market value.

"The fact is, however, that the standard criteria used to establish appraised 'market value' of commercial properties . . . simply don't apply in the distressed RTC markets."

Proposed Appraisal Rules

The rules also require use of certified appraisers by Aug. 9, 1990, on federal transactions and by July 9, 1991, on state-level deals. Conflict of interest guidelines are spelled out for both in-house and fee appraisers.

The Federal Deposit Insurance Corp., aware of the general challenge facing the RTC, has acknowledged that the agency is being asked, in the proposed licensing process alone, to do in two years what professional organizations have taken decades to accomplish.

The RTC's appraisal burden is, again, the price for balancing agendas.

The agency's own policies call for "maximizing net present value" of seized real estate, which means disposing of parcels before carrying costs or physical deterioration further erode their worth. But it has also had to assure regional commercial interests that auctions will not disrupt already weak markets.

The RTC's masters apparently believe fair appraisals are the key to protecting the value of everyone's real-property interests.

The fact is, however, that the standard criteria used to establish appraised "market value" of commercial properties – current sale prices, income-generating potential, and replacement costs – simply don't apply in the distressed RTC markets. There are few current sales, little immediate income potential, and no replacement equivalents because no one is building.

Many projects under RTC control, conceived and built in speculative frenzy, simply have no economic reason to exist.

The entire approach, moreover, implies there *are* intrinsic market values and that they can be "found" and protected.

Self-Interest Is Market Key

If so, why is the market – here in the form of auction bidders – not seen as capable of determining such values? The standard definition of "market value" used by the RTC, Fannie Mae, Freddie Mac, and professional appraisal organizations assumes parties in a transaction are acting in their own self-interest.

Surely, calculating the impact of a depressed market on a property's value, and bidding accordingly, is acting in self-interest.

The RTC's own strategic plan acknowledges that holding properties off the market may cause more disruption rather than less because of the uncertainty these "overhangs" pose in specific markets.

Arizona, where the RTC controls $10 billion in real estate assets (80% of it raw land), seems to provide a case in point. On a recent trip to Phoenix, I found raw land sales nonexistent. While acknowledging that Arizona real estate is troubled by many depressed fundamentals, I was also struck by a market-wide paralysis

While the RTC waits, problems mount.

Quick disposal is the mandate that must prevail, and the way to make it work is the most open auction process possible

Some bankers may fear that allowing preinsolvency development interests into the RTC auction process without regulation is tantamount to admitting the Trojan horse. They need not. The proposed rules have value as preventive measures against the recurrence of abuses and should be retained as such.

To its credit, the RTC has taken a number of recent steps to ease its auction process. Rules regarding down payment, seller financing, and the onerous 95%-of-appraised-value auction price floor have all been loosened.

Cut Auction-Appraisal Linkage

What the agency should do now, during the comment period on the proposed appraisal rules, is to unshackle the seized-asset auction process from appraisal reform.

It should be very clear to every kind of financial institution that its interest lies in seeing the RTC recover its savings and loan takeover costs as quickly as possible.

The alternative is the current scenario – an RTC burdened by the carrying and maintenance costs of a growing and stagnant portfolio, solvent institutions threatened with levies to support the bailout effort, increasing government resistance to further financial assistance, and eroding public trust. □

Mr. Keogh is executive vice president of Metropolitan Consulting Group, New York, which offers real estate location counseling and transaction services.

Reader Forum

The *American Banker* welcomes points of view on issues of interest and importance to the banking industry.

Please direct them to Jeffrey Kutler, assistant managing editor, American Banker, One State Street Plaza, New York, N.Y. 10004. Letters may be edited for space.

CRIME BLOTTER/ *By Tom Leander*

Bank Bombers Strike Again

A rash of Monday morning bombings has extended to a third bank in Southern California, a Security Pacific National Bank branch in the resort community of Indio.

Last week's explosion sent a fallout of thousands of dollars raining down on the bank's parking lot, but police said robbery did not appear to be the motive in any of the bombings. All three bombs were detonated with timing devices.

The Security Pacific blast, which occurred before the bank's 19 employees arrived for work, touched off a substantial fire. Police said they were seeking two suspects seen leaving the branch but could offer no motive for the bombings.

Security Pacific issued a statement reassuring customers that the vault and safe-deposit boxes at the Indio branch are intact and that all deposits are safe.

The first Monday morning bombing, about five weeks ago, hit a Bank of America branch at nearby Palm Springs. The second struck a Provident Savings and Loan branch at Rancho Mirage, near Palm Springs. Some money was blown out of aBankAmerica Corp. branch in Palm Springs, but the Provident branch survived with all its money intact.

The California Bankers Association is offering $50,000 for information leading to the arrest of the Monday bombers.

* * *

Conviction in Fraud Case

A federal jury in Los Angeles convicted David A. Feldman, former owner of a mortgage-finance company, of mail fraud in a complex swindle that cost the Bank of America $95 million.

Prosecutors said Mr. Feldman, 50, approached banks across the country through his now-defunct National Mortgage Equity Corp. He talked these banks into investing in certificates that were supposedly backed by pools of high-interest residential mortgages in Southern California and Texas.

The senior officers believed Mr. Feldman when he told them that the certificates were protected by several layers of guarantees – including assurances from independent underwriters that the borrowers could pay their debts. According to prosecutors, there were no independent underwriters. All the brokers and borrowers were in cahoots.

Contrary to what Mr. Feldman told the investors, the mortgage borrowers did not make their loan payments – the loans in the pool were in default. Mr. Feldman diverted millions of dollars of investor funds to a bonding company.

The losses of the defrauded institutions were covered by the Bank of America, which acted as escrow and trustee for all but three of the mortgage pools.

Bank of America has a civil racketeering suit pending against Mr. Feldman, seeking restitution of the $95 million. Mr. Feldman faces a possible 15-year prison term when he is sentencing Aug. 20 in U.S. District Court.

* * *

Indictment in Vernon Probe

An additional indictment was handed up last week in the continuing investigation of fraud at Vernon Savings and Loan, the Texas thrift that already provided the setting for numerous S&L fraud convictions.

A federal grand jury in Texas indicted Laurence B. Vineyard Jr., president of Key Savings and Loan Association, Dallas, on one count of defrauding Vernon of $2.6 million in 1986.

Officials of the Justice Department's Dallas Fraud Task Force allege that Mr. Vineyard drew a $2.6 million advance on a $12.7 million loan agreement with Vernon, supposedly to pay certain obligations for the benefit of Vernon.

Justice officials claim that Mr. Vineyard used the money to buy a $1.4 million house and other items for his personal use. □

AMERICAN BANKER

Established 1836
One State Street Plaza, New York, N.Y. 10004
212-943-6700

Editor: Fred R. Bleakley
Managing Editor: Thomas J. Ferris
Asst. Managing Editor: Jeffrey Kutler
Washington Bureau Chief: Robert Trigaux
News Editors: Winnie O'Kelley, Eric M. Starkman
Features Editor: Patricia Stundza
Copy Desk Chief: John Fulton
Art Director: Pamela Budz Moriarty
Statistics Editor: L. Michael Cacace
Senior Columnist: Sanford Rose

STAFF WRITERS
Consumer Financial Services: Wendy Grover, Yvette D. Kantrow, Ellen Memmelaar
Finance: William Goodwin, Kelley Holland, Steven Lipin, Gordon Matthews, Fred Vogelstein
International: James R. Kraus
Mortgages: Phil Roosevelt
Real Estate: Stephen Kleege
Technology and Operations: Karen Gullo, Jeanne Iida, Richard Layne

BUREAUS
Washington: Bill Atkinson, Debra Cope, Linda Corman, Robert M. Garsson. 202-347-5529
Atlanta: Kenneth Cline (bureau chief). 404-364-6572
Chicago: Nanine Alexander (bureau chief). 312-663-6380
Dallas: Steve Klinkerman (bureau chief). 214-748-5666
Los Angeles: Teresa Carson (bureau chief). 213-627-0953
Northeast: Jed Horowitz (bureau chief), Tom Leander, Franklin Smith. 212-943-6700
San Francisco: Sam Zuckerman (bureau chief). 415-986-8705
London: John Evans (bureau chief). 011-4471-538-5959

COPY EDITORS
Martin Barolsky (assistant chief), Christine Arax, Terry Bormann, Edward Kulkosky, Robert Paul Molay, Jane Sandiford

ART
Dylan Kreuzer (assistant director), Peggy Turbett, Carl Zeichner

FEATURES
Suzanne Christy, Joseph L. McCarthy (assistant editors)

STATISTICS
Harvey Glassman, John Ferring

Contributing Editor: Paul S. Nadler
Editorial Assistants: Lenore Adams, Jackie Albritton, Matthew H. Barthel, Rita Kay Meyer, Lou Schwartz

President: George W. Landgrebe
Executive Vice President, General Manager - Banking - Allan Priaulx
Executive Vice President Business Services - Con A. Rusling
Senior Vice President, Advertising - Christopher B. Edman
Vice President, Circulation - Madeline Krakowsky
Production Manager - Erwin W. Hambright

ADVERTISING
New York: 212-943-5280
Chicago: 312-663-6390
Charlotte, N.C.: 704-522-7181
Los Angeles: 213-382-6346
San Francisco: 415-421-7950
Portland: 503-246-5505
Seattle: 206-285-1214
Classified: 800-221-1910
International: 212-943-4250
Telex: 421768 ABKR

The American Banker is published daily, except weekends and holidays.

©1990 by American Banker • Bond Buyer, a division of Thomson Publishing Corporation. All rights reserved.
"American Banker" is a registered trademark of American Banker • Bond Buyer. Registered in the U.S. Patent and Trademark Office.
Second Class Postage Paid at new York, N.Y., and at additional mailing offices in U.S.A.
(ISSN No. 0002-7561)
Postmaster: Send address changes to American Banker, One State Street Plaza, New York, N.Y. 10004
Subscription Rates: U.S. $635 a year, Canada $815. Canada Airmail and Foreign $1,120. Single copy $5.75
Telecopier: 212-943-2984

Photocopy and Reprint Permission

Those registered with the Copyright Clearance Center (21 Congress St., Salem, Mass., 01970) have permission to photocopy any article owned by American Banker • Bond Buyer. The fee is $5 per copy of each article.

Copying for other than personal use or internal reference is prohibited without express permission of the copyright owner. Copying of article or columns not owned by the American Banker • Bond Buyer is also prohibited.

Single copies available day of publication: $5.75; back-issue prices based on date of publication. Address requests for reprints or back issues to American Banker • Bond Buyer, One State Street Plaza, New York, N.Y. 10004, or call 212-943-4845.

Customer Service

For subscription orders, changes in address, help with late delivery, or to report unsatisfactory service, call 800-221-1809 (in New York State, call 212-943-9589 collect).

BANK LOANS TO BUSINESS

Top 300 Banks in Business Lending

Based on Federal Regulatory Report of Condition data for Dec. 31, 1989, compared with Dec. 31, 1988 (dollar amounts in thousands)

Rank 12/89		Total Business Loans 12/31/89	12/31/88	% Chg.	Bad Bus. Loans 12/31/89	Bad Bus. Loans/ Bus. Loans	Total Loans 12/31/89	12/31/88	% Chg.	Total Assets 12/31/89	12/31/88	% Chg.
1	Citibank NA, New York	33,347,000	31,427,000	6.11	2,318,000	6.95	108,694,000	99,756,000	8.96	161,988,000	150,241,000	7.82
2	Bank of America NT&SA, San Francisco	22,205,000	21,637,000	2.63	1,236,000	5.57	65,118,000	59,444,000	9.55	86,712,000	82,912,000	4.58
3	Chase Manhattan Bank NA, New York	21,072,410	19,491,022	8.11	1,232,475	5.85	54,995,735	49,819,356	10.39	83,807,666	77,542,498	8.08
4	Manufacturers Hanover Trust Co., New York	17,453,000	17,249,000	1.18	622,000	3.56	37,322,000	37,736,000	-1.10	54,740,000	54,210,000	0.98
5	Bank of New York	16,245,228	7,709,336	110.72	606,848	3.74	32,515,308	14,052,357	131.39	46,361,809	22,614,229	105.01
6	Chemical Bank, New York	11,952,000	11,634,000	2.73	739,000	6.18	29,585,000	28,738,000	2.95	45,469,000	50,933,000	-10.73
7	First National Bank, Boston	11,771,292	10,893,282	8.06	291,336	2.47	19,151,082	19,102,908	0.25	30,000,100	26,182,108	14.58
8	Wells Fargo Bank NA, San Francisco	11,087,907	10,337,957	7.25	330,633	2.98	39,349,480	35,780,803	9.97	45,555,858	43,732,080	4.17
9	Security Pacific National Bank, Los Angeles	10,232,712	10,014,236	2.18	515,981	5.04	38,040,612	32,863,618	15.75	54,313,683	48,920,495	11.02
10	Continental Bank NA, Chicago	10,149,967	10,736,102	-5.46	125,628	1.24	15,757,309	17,650,651	-10.73	29,358,018	30,571,113	-3.97
11	Morgan Guaranty Trust Co., New York	10,051,586	11,101,006	-9.45	583,650	5.81	26,324,706	28,308,171	-7.01	64,707,226	71,227,778	-9.15
12	First National Bank, Chicago	8,777,681	9,015,027	-2.63	252,592	2.88	21,496,967	22,091,941	-2.69	36,410,165	35,172,664	3.52
13	Bankers Trust Co., New York	8,493,655	10,953,369	-22.46	569,358	6.70	20,877,925	22,948,410	-9.02	51,113,127	55,349,881	-7.65
14	Mellon Bank NA, Pittsburgh	7,392,659	6,768,163	9.23	120,642	1.63	13,698,786	13,626,775	0.53	22,697,193	22,154,559	2.45
15	NCNB Texas National Bank, Dallas	6,835,195	4,413,291	54.88	19,811	0.29	12,875,875	11,630,363	10.71	33,748,419	25,573,596	31.97
16	National Westminster Bank USA, New York	6,746,076	6,106,939	10.47	161,027	2.39	10,770,611	9,897,088	8.83	14,531,012	13,286,323	9.37
17	Marine Midland Bank NA, Buffalo, N.Y.	5,242,439	5,590,948	-6.23	291,344	5.56	17,847,778	18,142,542	-1.62	21,546,713	20,987,400	2.66
18	National Bank of Detroit	4,843,286	4,895,516	-1.07	24,884	0.51	8,962,643	8,589,333	4.35	17,014,841	15,459,413	10.06
19	First Bank NA, Minneapolis	4,576,016	4,805,917	-4.78	147,544	3.22	9,265,478	10,194,095	-9.11	12,702,725	14,982,414	-15.22
20	Union Bank, San Francisco	4,410,988	4,655,671	-5.26	113,665	2.58	11,481,395	11,028,993	4.10	15,375,629	15,011,186	2.43
21	NCNB National Bank of North Carolina, Charlotte	4,201,828	3,547,663	18.44	74,105	1.76	11,174,872	9,982,007	11.95	20,443,391	16,741,026	22.12
22	Bank of New England NA, Boston	3,937,796	4,209,035	-6.44	113,414	2.88	11,009,058	11,905,197	-7.53	14,292,638	15,564,083	-8.17
23	First Interstate Bank of California, Los Angeles	3,499,438	3,740,362	-6.44	169,085	4.83	14,256,722	13,472,078	5.82	21,228,507	20,489,545	3.61
24	Midlantic National Bank, Newark, N.J.	3,268,579	1,837,612	77.87	138,082	4.22	8,075,293	4,731,831	70.66	9,818,182	5,712,781	71.86
25	Philadelphia National Bank	3,236,359	3,109,378	4.08	18,335	0.57	6,267,410	5,566,902	12.58	10,038,832	10,395,009	-3.43
26	Bank of Tokyo Trust Co., New York	3,193,763	2,980,053	7.17	19,336	0.61	3,995,041	3,684,865	8.42	8,259,816	6,945,732	18.92
27	Texas Commerce Bank NA, Houston	3,138,384	3,450,936	-9.06	155,896	4.97	5,427,306	6,102,276	-11.06	11,625,807	11,651,575	-0.22
28	Pittsburgh National Bank	3,112,457	3,236,080	-3.82	150,839	4.85	8,663,247	7,653,542	13.19	17,151,513	16,793,779	2.13
29	Wachovia Bank and Trust Co. NA, Winston-Salem, N.C.	3,045,486	2,952,455	3.15	7,179	0.24	9,847,819	8,370,118	17.65	15,143,871	13,584,304	11.48
30	First Union National Bank of N.C., Charlotte	2,841,989	2,517,669	12.88	16,771	0.59	11,365,692	9,915,743	14.62	16,767,084	15,061,529	11.32
31	First Fidelity Bank NA, Newark, N.J.	2,821,045	2,546,094	10.80	124,099	4.40	7,575,873	7,170,269	5.66	12,342,949	11,201,201	10.19
32	Ameritrust Co. NA, Cleveland	2,727,530	2,533,310	7.67	95,291	3.49	6,296,248	5,815,116	8.27	8,923,360	8,429,749	5.86
33	Meridian Bank, Reading, Pa.	2,710,929	2,422,220	11.92	53,347	1.97	6,843,415	5,279,588	29.62	10,084,789	7,909,881	27.50
34	Harris Trust and Savings Bank, Chicago	2,669,375	2,711,114	-1.54	66,078	2.48	5,506,375	5,287,377	4.14	9,969,430	9,209,202	8.26
35	Citizens & Southern National Bank, Atlanta	2,659,395	2,300,727	15.59	46,304	1.74	8,069,690	7,643,149	5.58	12,441,682	11,461,816	8.55
36	Comerica Bank-Detroit	2,587,357	2,313,707	11.83	15,667	0.61	6,540,111	5,593,420	16.93	10,097,839	8,782,806	14.97
37	United States National Bank, Portland, Ore.	2,561,529	2,133,333	20.07	57,155	2.23	7,060,312	5,798,569	21.76	10,263,310	8,524,105	20.40
38	Fidelity Bank NA, Philadelphia	2,547,412	3,045,563	-16.36	73,808	2.90	6,568,150	6,789,524	-3.26	9,475,294	10,165,302	-6.79
39	Sovran Bank NA, Richmond	2,531,323	2,427,562	4.27	14,637	0.58	9,014,468	8,473,140	6.39	13,815,734	12,412,914	11.30
40	Norwest Bank Minnesota NA, Minneapolis	2,513,002	2,257,345	11.33	71,407	2.84	5,766,343	5,246,399	9.91	8,512,834	8,479,295	0.40
41	Provident National Bank, Philadelphia	2,474,361	2,100,413	17.80	20,776	0.84	5,766,353	5,036,695	14.49	8,322,387	7,977,681	4.32
42	Manufacturers National Bank of Detroit	2,473,755	2,437,382	1.49	19,280	0.78	5,225,501	5,235,111	-0.18	8,678,071	7,818,327	11.00
43	Crestar Bank, Richmond	2,470,821	2,186,170	13.02	33,619	1.36	7,455,095	7,055,222	5.67	10,190,113	9,367,784	8.78
44	Seattle-First National Bank	2,438,209	2,379,442	2.47	28,334	1.16	9,950,703	8,823,133	12.78	12,332,648	10,834,350	13.83
45	Republic National Bank, New York	2,398,661	1,519,845	57.82	16,956	0.71	4,674,355	3,692,197	26.60	21,399,222	20,085,759	6.54
46	Northern Trust Co., Chicago	2,362,480	1,929,815	22.42	34,534	1.46	4,939,453	4,134,391	19.47	8,634,500	8,061,840	7.10
47	National City Bank, Cleveland	2,294,877	2,024,660	13.35	13,767	0.60	4,883,364	4,306,724	13.39	8,209,006	7,622,497	7.69
48	Morgan Bank (Delaware), Wilmington	2,251,005	855,976	162.98	11,945	0.53	3,772,864	1,957,949	92.69	4,900,310	3,229,693	51.73
49	Shawmut Bank NA, Boston	2,242,614	2,238,805	0.17	56,698	2.53	6,223,824	5,300,265	17.42	9,270,551	8,869,586	4.52
50	Bank One Texas NA, Dallas	2,214,594	.....	....	611,398	27.61	7,244,411	.....	....	12,271,581	.....	....
51	First Jersey National Bank, Jersey City N.J.	2,149,165	2,193,729	-2.03	65,807	3.06	3,714,980	3,851,190	-3.54	5,071,749	5,148,803	-1.50
52	Industrial Bank of Japan Trust Co., New York	2,118,505	1,814,842	16.73	1,137	0.05	2,388,561	2,097,364	13.88	5,575,039	4,747,502	17.43
53	Southeast Bank NA, Miami	2,109,074	2,238,886	-5.80	54,410	2.58	10,748,235	8,876,038	21.09	15,966,390	13,782,545	15.85
54	Connecticut Bank & Trust Co. NA, Hartford	1,978,870	2,420,632	-18.25	115,062	5.81	5,920,220	6,961,365	-14.96	9,735,030	9,916,178	-1.83
55	Fleet National Bank, Providence, R.I.	1,968,931	1,746,218	12.75	26,439	1.34	6,348,536	5,453,367	16.41	9,701,134	7,948,879	22.04
56	Bank of California NA, San Francisco	1,949,608	1,980,912	-1.58	121,945	6.25	6,438,500	5,710,667	12.75	7,897,834	6,932,653	13.92
57	Connecticut National Bank, Hartford	1,942,936	1,934,269	0.45	56,951	2.93	8,328,176	7,426,431	12.14	12,471,078	12,182,456	2.37
58	Maryland National Bank, Baltimore	1,903,640	1,967,346	-3.24	20,739	1.09	6,347,656	6,282,970	1.03	9,487,848	9,017,583	5.21
59	AmSouth Bank NA, Birmingham, Ala.	1,888,103	1,776,055	6.31	23,906	1.27	4,958,949	4,694,082	5.64	7,557,555	7,339,014	2.98
60	Trust Company Bank, Atlanta	1,849,578	1,521,816	21.54	8,543	0.46	3,828,505	3,534,875	8.31	6,312,806	5,965,614	5.82
61	First City National Bank, Houston	1,848,147	1,534,406	20.45	21,951	1.19	4,701,041	4,143,082	13.47	7,622,619	6,296,958	21.05
62	Michigan National Bank, Farmington Hills	1,812,640	1,751,393	3.50	37,246	2.05	6,100,076	6,294,279	-3.09	9,853,367	9,296,202	5.99
63	First Interstate Bank of Oregon NA, Portland	1,761,886	1,568,411	12.34	10,462	0.59	4,014,529	3,454,964	16.20	6,333,899	5,835,425	8.54
64	First Pennsylvania Bank NA, Philadelphia	1,759,931	1,508,257	16.69	36,349	2.07	4,649,150	4,206,704	10.52	6,635,086	6,376,335	4.06
65	American National Bank & Trust Co., Chicago	1,697,892	1,438,842	18.00	35,723	2.10	3,397,036	3,021,121	12.44	4,492,976	4,135,111	8.65
66	Continental Bank, Norristown, Pa.	1,589,665	1,450,523	9.59	20,541	1.29	3,596,519	3,261,527	10.27	4,373,021	3,903,435	12.03
67	Huntington National Bank, Columbus, Ohio	1,548,861	1,421,685	8.95	21,832	1.41	5,631,848	5,122,898	9.93	8,899,567	7,961,567	11.78
68	Security Pacific Bank Washington NA, Seattle	1,519,810	1,357,914	11.92	16,487	1.08	6,297,386	5,356,186	17.57	8,073,701	7,105,063	13.63
69	Society National Bank, Cleveland	1,518,393	1,476,558	2.83	38,404	2.53	4,841,750	3,474,699	39.34	8,130,642	6,086,826	33.58
70	Bank of Hawaii, Honolulu	1,470,892	1,167,759	25.96	4,421	0.30	4,691,168	3,907,638	20.05	8,016,497	6,367,581	25.90
71	Hibernia National Bank, New Orleans	1,445,846	1,618,295	-10.66	25,448	1.76	4,710,589	4,237,647	11.16	6,525,987	5,783,052	12.85
72	Sanwa Bank California, San Francisco	1,411,510	1,768,344	-20.18	36,499	2.59	4,731,065	4,463,235	6.00	6,918,322	6,427,937	7.63
73	Boatmen's National Bank, St. Louis	1,403,830	731,051	92.03	17,725	1.26	4,703,227	2,503,024	87.90	7,808,409	4,334,179	80.16
74	Valley National Bank, Phoenix, Ariz.	1,377,924	1,437,486	-4.14	52,464	3.81	6,544,612	6,603,738	-0.90	9,391,928	10,187,118	-7.81
75	First National Bank of Maryland, Baltimore	1,366,166	1,275,141	7.14	21,231	1.55	4,083,142	3,519,704	16.01	6,367,057	5,677,592	12.14
76	Citizens Fidelity Bank & Trust Co., Louisville, Ky.	1,361,318	1,352,350	0.66	45,264	3.33	3,534,144	3,244,123	8.94	5,659,249	5,133,890	10.23
77	South Carolina National Bank, Columbia	1,354,585	1,244,410	8.85	10,500	0.78	4,181,495	3,719,051	12.43	6,074,409	5,480,373	10.84
78	European American Bank, New York	1,313,533	1,466,841	-10.45	81,805	6.23	3,322,112	3,350,856	-0.86	5,293,279	5,335,141	-0.78
79	First Interstate Bank NA, Houston	1,300,816	1,546,160	-15.87	94,295	7.25	4,098,755	4,575,374	-10.42	6,345,285	6,722,384	-5.61
80	Fuji Bank and Trust Co., New York	1,292,643	1,166,580	10.81	0	0.00	1,991,247	1,861,094	6.99	4,291,061	4,910,091	-12.61
81	Bank Leumi Trust Co., New York	1,291,051	1,384,815	-6.77	55,132	4.27	2,133,312	1,998,876	6.73	3,348,375	3,129,940	6.98
82	Bankers Trust (Delaware), Wilmington	1,283,210	1,468,156	-12.60	36,309	2.83	1,861,013	1,702,966	9.28	2,404,019	2,338,844	2.79
83	Chase Lincoln First Bank NA, Rochester, N.Y.	1,281,840	1,384,594	-7.42	24,990	1.95	5,487,513	5,164,078	6.26	6,444,770	6,257,096	3.00
84	United Jersey Bank, Hackensack, N.J.	1,281,268	1,109,645	15.47	22,635	1.77	3,563,533	2,923,647	21.89	5,277,948	4,332,093	21.83
85	First National Bank, Atlanta	1,258,874	1,340,524	-6.09	7,552	0.60	5,125,383	5,034,592	1.80	8,493,590	7,947,463	6.87
86	U.S. Bank of Washington NA, Seattle	1,253,017	907,205	38.12	13,421	1.07	3,608,225	3,029,532	19.10	5,091,369	4,093,077	24.39
87	American Security Bank NA, Washington, D.C.	1,200,359	977,048	22.86	13,683	1.14	4,156,500	3,635,105	14.34	5,915,215	5,382,288	9.90
88	NCNB National Bank of Florida NA, Tampa	1,183,667	1,616,084	-26.76	19,644	1.66	6,587,796	5,926,560	11.16	11,876,828	9,645,879	23.13
89	Exchange National Bank, Chicago	1,164,538	931,982	24.95	19,942	1.71	1,667,397	1,468,695	13.53	3,016,449	2,593,598	16.30
90	Bank One NA, Indianapolis	1,148,129	1,150,478	-0.20	24,712	2.15	2,922,591	2,867,488	1.92	4,123,294	4,080,091	1.06
91	Mellon Bank (East) NA, Philadelphia	1,146,505	1,214,012	-5.56	21,980	1.92	3,232,336	3,144,772	2.78	4,670,096	4,590,202	1.74
92	Norstar Bank NA, Buffalo, N.Y.	1,144,317	993,422	15.19	13,643	1.19	2,930,994	2,905,639	0.87	3,899,913	3,891,972	0.20
93	First National Bank, Louisville, Ky.	1,139,416	1,205,241	-5.46	6,648	0.58	2,725,278	2,592,797	5.11	4,303,960	4,353,393	-1.14
94	Signet Bank-Virginia, Richmond	1,118,815	1,140,250	-1.88	17,841	1.59	4,602,600	4,287,535	7.35	8,934,256	7,480,047	19.44
95	Fifth Third Bank, Cincinnati	1,046,589	871,185	20.13	2,031	0.19	3,024,474	2,583,993	17.05	4,105,360	3,564,240	15.18
96	IBJ Schroder Bank & Trust Co., New York	1,043,082	722,926	44.29	14,051	1.35	1,659,380	1,402,722	18.30	3,074,761	3,424,308	-10.21
97	First Union National Bank of Florida, Jacksonville	1,026,630	1,006,869	1.96	12,717	1.24	5,404,871	4,642,715	16.42	9,180,518	9,139,431	0.45
98	BancOhio National Bank, Columbus	1,024,698	997,854	2.69	20,894	2.04	3,874,607	3,730,411	3.87	5,910,659	5,131,435	15.19
99	Society Bank & Trust, Toledo, Ohio	1,017,354	1,187,318	-14.31	28,327	2.78	2,189,354	2,568,946	-14.78	3,131,824	3,769,682	-16.92
100	Bank South NA, Atlanta	1,016,256	1,006,176	1.00	16,859	1.66	2,616,925	2,622,354	-0.21	4,072,434	3,882,068	4.90

Data Source: Data are from the federal regulatory "Report of Condition" filed by all federally-insured commercial banks. American Banker's statistical staff extracted these data from **BankSource,** a data base provided by **W.C. Ferguson & Co.,** Irving, Tex. The 1988 data are not adjusted for mergers in 1989. **Business Loans** are total commercial and industrial loans, and are taken from schedule RC-C of the Report of Condition. Data are consolidated to include both domestic and foreign offices. Loans to both domestic and foreign businesses are included. The appropriate line reference numbers on Schedule RC-C are: Column A— Consolidated Bank— item 4.a. (commercial and industrial loans to U.S. addressees) and item 4.b. (commercial and industrial loans to non-U.S. addressees). **Bad Business Loans** are total business loans that are 90 or more days past due plus total business loans placed on a nonaccrual basis. Data are from Schedule RC-N, item 3a + item 3b (Columns B + C). **Bad Business Loans/Business Loans** is the ratio of bad business loans to total business loans, expressed as a percentage. **Total Loans** are loans and leases, net of unearned income and are from RC-Balance Sheet, line 4.a. **Total Assets** are total consolidated assets from RC-Balance Sheet, line 12. **Compiled by American Banker, Copyright 1990.**

Top Tier of Business Lenders Underwent Reshuffling in '89

By WILLIAM GOODWIN

NEW YORK — Major New York banks continued to dominate the top tier of business lenders last year, but major shifts occurred in the rankings, according to an *American Banker* survey.

The banking subsidiaries of Bankers Trust New York Corp. and J.P. Morgan & Co. reported big declines in their outstanding commercial and industrial loans at yearend 1989. Bank of New York Co., meanwhile, after its merger with Irving Trust Co., catapulted into the top five lenders.

(The tables of top business lenders begin on page 8. Tables listing the top real estate lenders begin on page 19.)

First Increase Since 1984

The sum of business loans held by the 10 biggest lenders grew by 6.4%, the first increase since the annual survey was begun in 1984. This growth reflects a rise in demand for working capital loans and the Bank of New York merger, observers said.

Business loans held by all domestic banks increased by 3.1%, to $618.7 billion, the fastest rate of growth since 1986. But growth slowed at the U.S. branches of foreign banks. Their increase – a robust 10.7% – was down from 14.9% in 1988.

The 6.4% increase in business loans by the 10 biggest lenders, to $165.5 billion, was partly skewed by the merger that left Bank of New York with $17.5 billion in such loans. Even excluding the merger's effects, however, the top 10 banks had loan growth of about 2.4%.

Business loans held by all domestic banks increased by 3.1%, to $618.7 billion, the fastest rate of growth since 1986.

Slowing Economy Felt

The increase partly reflects the fact that the economy was slowing in 1989, said Richard Bove, a banking industry analyst at Dean Witter Reynolds Inc. Demand for working capital loans typically rises when the economy slows and corporate revenues fall, he said.

Banks were also in a better position to make loans last year, according to Mr. Bove. "For the first time since 1982, banks reached the point where the Fed believed they were no longer undercapitalized," he said.

The collapse of the junk bond market eliminated a major source of competition for banks, Mr. Bove said. At the same time, the market's devaluation of the yen contributed last year to a reduction in the price advantage Japanese banks hold over their U.S. counterparts, he said.

A pullback by European banks was probably the main reason for the declining rate of growth in business loans held by foreign bank branches, Mr. Bove said. These loans totaled $138.2 billion at yearend 1989.

Bank of New York's Mark

The survey is based on data culled from federal call reports and includes commercial and industrial loans made both in the United States and abroad.

Among individual lenders, the most dramatic growth in such loans was the 111% increase at Bank of New York, to $16.2 billion, from $7.7 billion.

New York banks held four of the five top spots among business lenders in 1989 and five of the top 10 spots.

Citibank, the Citicorp subsidiary, was at the top of the list, with $33.3 billion in business loans. After Citibank came the banking units of BankAmerica Corp., Chase Manhattan Corp., Manufacturers Hanover Corp., and Bank of New York Co.

Two Fall from Top 10

With the exception of Bank of New York, which supplanted Chemical Banking Corp.'s lead subsidiary in fifth place, the top five rankings were unchanged from 1988.

But major shifts occurred among the top 10. Bankers Trust and Morgan fell out of the group.

In the case of Bankers Trust, which ranked seventh in 1988, outstanding business loans plunged 22.5% in 1989, to $8.5 billion. A Bankers Trust spokesman said the decline in reported commercial and industrial loans reflected the bank's "development of a strong loan distribution capability" in recent years, rather than a decline in loan originations.

"For the first time since 1982, banks reached the point where the Fed believed they were no longer undercapitalized."

Richard Bove
Dean Witter Reynolds Inc.

"It's a trend that began four years ago," when the bank developed its capability to sell loans that it originated, the spokesman said.

Commercial Paper Blamed

Morgan Guaranty Trust Co. of New York, meanwhile, pointed the finger at the commercial paper market, saying its customers are using that market as a cheaper source of funds.

"The decline in C&I loans in 1989 is consistent with a long-term trend among our custom-

See **TOP** *page* **29**

You can still find it at Balboa Life and Casualty.

In fact, we don't just talk about providing service.

We impose the strictest of performance standards in such key areas as customer contact, information processing and response to service requests.

For instance, every one of the 800,000 documents we receive monthly from our customers is processed within 48 hours, with over 99.8% accuracy. Our service representatives, who receive over 120,000 phone calls each month, are continually trained and monitored.

So you and your customers can count on fast, courteous service as well as virtually flawless precision.

At Balboa Life and Casualty, we approach business with the values of the past. We find the future looks better that way.

For more information, call David de Gorter, Marketing Director at 714-553-7692.

AVCO INSURANCE

BALBOA LIFE & CASUALTY

YOUR PARTNER IN INSURANCE

NOTE

ONLY THE FOLLOWING PAGES OF THIS

PUBLICATION HAVE BEEN FILMED

Cov. 1, Pgs: 3, 4, 8-10,

12-15, 18-23, 29